Æterna Zentaris

NEOVASTAT®
Product sheet

www.aeternazentaris.com

CORPORATE SUMMARY

Æterna Zentaris (TSX: AEZ – Nasdaq: AEZS) is a growing global biopharmaceutical company engaged in the discovery, development and marketing of therapies for cancer and endocrine disorders. The Company's broad, extensive product pipeline leverages different therapeutic approaches involving over 20 products at all development stages from drug discovery to the market.

NEOVASTAT® OVERVIEW

NEOVASTAT® : A UNIQUE PRODUCT WITH MULTIPLE MECHANISMS OF ACTION

- Novel antiangiogenic therapy
- Excellent safety profile
- Orally bioavailable
- Five published antiangiogenic activities
- NCI sponsored NSCLC Phase III trial

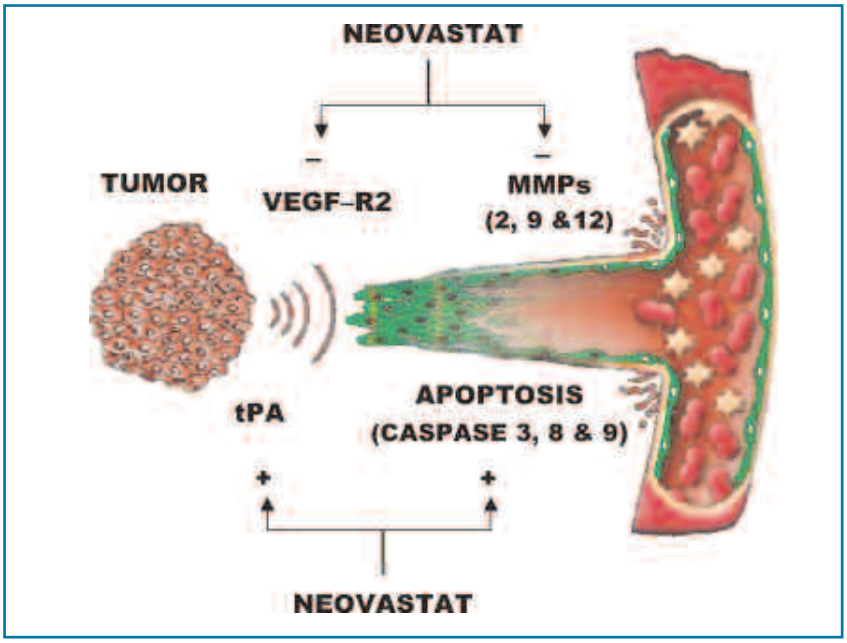
DESCRIPTION

This investigational drug, a standardized liquid extract derived from cartilage, is unique from other antiangiogenesis therapies since it possesses multiple mechanisms of action. In addition, Neovastat has also demonstrated antitumor and antimetastatic properties.

Angiogenesis, or the formation of new blood vessels from pre-existing vessels, is a normal biological phenomenon. Almost all tissues have a network of blood vessels which provides the cells with nutrients and oxygen and at the same time facilitates the elimination of metabolic wastes. Angiogenesis, tumor growth and tumor cell metastasis are multi-step processes which involve a wide variety of molecules.

Neovastat® is an orally bioavailable anti-angiogenic product with multiple mechanisms of action. Studies have presented evidence supporting the antiangiogenic activity of Neovastat® affects multiple levels of the angiogenic cascade (see Figure). Among the patients treated in a Phase I/II dose-tolerance trial, a survival analysis was performed retrospectively in a subgroup of 48 patients with a primary diagnosis of unresectable stage IIIA, IIIB and IV NSCLC. Survival between the group receiving less than 2.6 mL/kg/day (21 patients) was compared to that of the group receiving more than 2.6 mL/kg/day (27 patients) using the Cox survival model, stratified by disease stage, and adjusted for exposure to disease. Median survival time was significantly longer in the high dose group compared to the low dose (6.1 vs. 4.6 months; p=0.026). Additionally, patients receiving more than 2.6 mL/kg/day of Neovastat® had approximately 50% decrease in the relative risk of death as compared to those receiving less than 2.6 mL/kg/day.

The excellent safety profile of Neovastat® shown in the Phase I/II clinical trials as well as in efficacy data allowed the Company to proceed with a Phase III trial of its angiogenesis inhibitor.



Extensive investigations conducted on the mechanisms of action by which Neovastat exerts its antiangiogenic activity have demonstrated that it has several mechanisms. It has been reported that Neovastat:

(1) inhibits MMPs (enzymes that breakdown surrounding tissue);

(2) blocks receptor sites for the angiogenic molecule vascular endothelial growth factor (VEGF), thus preventing endothelial cells from responding to the angiogenic activator;

(3) induces apoptosis in endothelial cells;

(4) stimulates tissue-type plasminogen activator (tPA) enzymatic activity; and

(5) prevents endothelial cells from proliferating and forming new blood vessels-called tubulogenesis.

References:

Gingras et al., Anti-Cancer Drugs 14, 91-96, 2003

Latreille et al., Clinical Lung Cancer 4(4), 231-236, 2003

Batist et al., Annals of Oncology 13, 1259-1263, 2002

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DEVELOPMENT PLAN

The Phase III trial in NSCLC is being conducted in hospitals and research centers of the United States and Canada, under the supervision of the MD Anderson Collaborative Community Oncology Program. 760 patients with newly diagnosed non-small cell lung cancer will be enrolled in this trial.

In October 2002, the Radiation Therapy Oncology Group (RTOG) has joined the Community Clinical Oncology Program (CCOP) in patient enrollment and conduct of Æ-941 (Neovastat®) Phase III clinical trial in non-small cell lung cancer.

PARTNERING

On December 22, 2004, the Company announced an agreement with its subsidiary Atrium Biotechologies Inc. to transfer Neovastat's rights to Atrium's Health and Nutrition division, excluding North America, to market and distribute its antiangiogenic product Neovastat®. The existing marketing partnerships for Neovastat® with Grupo Ferrer, LG Life Sciences and Mayne Pharma remain valid and will be managed by Atrium.

PIPELINE OVERVIEW

Æterna Zentaris is a BioPharmaceutical company with a strong, deep and broad product pipeline of over 20 products at all stage of development from diversified technology platforms combined with revenue generating products offering a risk-managed strategy to create value.

Æterna Zentaris' pipeline focuses in oncology and endocrine therapy. The Company possesses technologies that leverage six different therapeutic approaches: LHRH Antagonists, Signal Transduction Inhibitors, Cytotoxic Conjugates and Cytotoxics, Tubulin Inhibitors and Vascular Targeting Agents, Growth Hormone Modulators and Immunotherapy/Cancer Vaccines. These technologies and products are also well protected in a patent estate of over 90 patent families.

Æterna Zentaris is active is all areas which are necessary in the long term to develop innovative forms of therapy, and thus it possesses the knowledge and resources required to develop a drug up to market maturity.

CONTACTS

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NOTE & DISCLOSURES